

SAMPLE
MEMORANDUM OF UNDERSTANDING
BETWEEN A HOUSING DEVELOPER/OWNER, SERVICE PROVIDER AND PROPERTY MANAGER
FOR A HOUSING DEVELOPMENT WITH SUPPORTIVE HOUSING

ABC Housing Corporation, XYZ Services Incorporated and
People's Management Company for My Home Apartments

This sample is for a mixed use project with some units (8) designated for permanent supportive housing (all 8 LTH eligible, of which 4 are also HUD chronic homeless eligible)

I. PARTIES

This Memorandum of Understanding is between ABC Housing Corporation (the owner), a nonprofit corporation, XYZ Incorporated (the service provider), a nonprofit corporation and People's Management Company (the management company), a for-profit corporation.

II. BACKGROUND AND INTENT

WHEREAS, the sole purpose of this Memorandum of Understanding is to encourage cooperation between ABC Housing Corporation (ABC), XYZ Services (XYZ), and People's Management Company (PMC) and to further detail the separate and distinct roles and responsibilities of each party;

WHEREAS, ABC owns a 24-unit apartment building at 201 Gibson Street, Anywhere, MN, also known as My Home Apartments, which provides housing to low income individuals and housing with supportive services to homeless individuals. The building will have a front desk, community room and office (*specify for service provider and/or management*).

WHEREAS, of these 24 units, ABC will provide 16 units of permanent affordable housing for low income persons and eight (8) units of permanent supportive housing for low income persons who are homeless of which all eight (8) units would meet the state's definition of long-term homelessness and four (4) units would also meet the HUD definition of chronic homelessness and disability.

WHEREAS, ABC understands that persons with a history of homelessness (option: and disability) require a set of services which are unique and specialized; and that residents of My Home Apartments will be responsible for the provision of their own personal needs (i.e. meals, personal care in hygiene and health, etc.) and the availability of supportive services is critical to helping the residents of My Home Apartments to live successfully.

WHEREAS, ABC will provide supportive housing using [INSERT HOUSING MODEL HERE (e.g., housing first, safe haven, program housing, etc.- specify,) For descriptions see *Approaches to Housing and Services for Long-term Homeless Households*:

http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_006896.pdf]

It is understood that XYZ **DOES** plan to offer full-service case management (as defined by the ITF, http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_006070.pdf), (**OR, option for service coordinator**) It is understood that XYZ **DOES NOT** plan to offer full-service case management but will provide tenant service coordination to assist those tenants in need of these services in linking with appropriate providers;

WHEREAS, XYZ will offer supportive services as outlined in **Section VI. B (Role of Service Provider)** to eight (8) households residing at My Home Apartments and has staff that are trained and experienced working with the target populations including persons who are long-term homeless.

WHEREAS, tenants voluntarily participate in the services provided by XYZ;

WHEREAS, My Home Apartments will have 24/7 front desk security that will be staffed by PMC;

WHEREAS, PMC provides property and asset management services and ABC will contract with PMC to manage and maintain the property;

Therefore, ABC Housing Corporation, XYZ Incorporated and People's Management Company agree that it is in the best interests of all concerned to enter into this Memorandum of Understanding for My Home Apartments.

III. GUIDING PRINCIPLES

WHEREAS, all parties under this Memorandum of Understanding jointly recognize that tenants with low incomes, a history of homelessness and who may also have disabilities:

- are diverse in terms of their strengths, motivation, goals, backgrounds and needs
- are members of the community with all the rights, privileges, opportunities accorded to the greater community;
- have the right to meaningful choices in matters affecting their lives; and therefore
- tenant input will be sought in designing and implementing services; and,
- not all persons living at My Home Apartments will need to be clients of XYZ or linked to support services in order to live successfully.
- Additional principles

IV. DEFINITIONS: *Include all definitions pertaining to the population served at the development. Below are some examples.*

For the purposes of this Memorandum of Understanding:

Very low income is defined as households with incomes 50 percent or below the median income for **Anywhere County**. All 24 units will meet this income eligibility definition.

Long-term homelessness is defined as persons including individuals, unaccompanied youth, and families with children lacking a permanent place to live continuously for a year or more or at least four times in the past three years. Any period of institutionalization or incarceration shall be excluded when determining the length of time the household has been homeless. Eight (8) units have been identified and are intended to meet this definition.

A chronic homeless person is defined as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or has had at least four episodes of homelessness in the past three years. Four (4) units have been identified and are intended to meet this definition.

A disabled person is defined as a person with a physical, mental or emotional impairment which is expected to be of long, continued and indefinite duration, which substantially impedes the person's ability to live independently, and which is of a nature that such ability could be improved by more suitable housing conditions. It is intended that this definition be consistent with HUD's definition of a person with a disability. All Shelter Plus Care and chronic homeless persons served will meet this definition.

Permanent supportive housing is defined as permanent affordable rental housing with supportive services necessary for individuals, youth and families with children to maintain housing stability, live in the community, and lead successful lives. Permanent supportive housing has no time limits for occupancy. A person can remain in permanent supportive housing as long as they want to stay and are complying with terms of the lease.

Supportive Housing Program Model X means: insert definition from the Heading Home document *Approaches to Housing and Services for Long-term Homeless Households*
http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_006896.pdf

Example: Housing First- A type of Permanent Supportive Housing with no requirements for entry (e.g. a period of sobriety) and no requirements for keeping housing, except those of a normal lease. Individuals, youth and families are not required to accept services. Service providers are, however, required to make a broad spectrum of services available on an ongoing basis and to engage people in accessing services. The intent is that an individual, youth or family with children that is experiencing homelessness first gets a place to live. The household can then access the services they need.

Supportive services means services offered to residents for the purpose of enhancing the residents' ability to maintain independent living. Supportive services must address the special needs of the residents to be served. These are described in Section VI. B. Role of the Service Provider.

Include other definitions as needed: Shelter plus Care, Group Residential Housing, Severe Mental Illness (for DHS Operating Subsidy), etc.

V. ELIGIBILITY DETERMINATIONS AND TENANT SELECTION

Eligibility for this project will be based on income, homeless status and disability as described in **Section IV - Definitions** (include all funding program guidelines applicable to this development)

Homeless Status: Applicants of My Home Apartments applying for the 8 LTH or 4 HUD chronic homeless units will need to have their homeless status and history verified by a referring provider. XYZ will obtain the document and provide to PMC to retain in tenant file.

Disability: A qualifying disability will need to have written verification from a physician that the condition or illness is disabling to be considered for the four (4) identified chronic homeless units. During the process of tenant screening, the potential tenant will need to complete a standardized form that authorizes his/her physician to release such information. PMC will obtain this documentation and retain in the tenant file.

Referrals: Potential tenants will be referred by XYZ, First Home Shelter organization, NDS Outreach and other organizations outlined in the marketing plan and the Affirmative Fair Housing Marketing Plan.

Tenant Selection: Tenants will be selected by the management agent, PMC, based on criteria developed by ABC, XYZ and PMC. Selection of tenants for My Home Apartments will not rely solely on traditional property management standards. Standards will be established that reflect a commitment to housing very low-income people and those who meet the long-term or chronic homeless definitions and may have disabilities, poor rental or credit histories, criminal records, etc. Potential tenants will undergo a two-stage screening process for the eight (8) supportive housing units.

- Stage 1: The prospective tenant will be evaluated by PMC to determine if s/he meets the income, homeless and disability requirements.
 - XYZ will assist in assessing and documenting long-term or chronic homeless eligibility provided by referring agencies.
 - PMC will obtain disability documentation verified by a physician (for the 4 chronic units only).
 - PMC will run a standard credit, eviction, criminal history and some housing checks as part of the selection process.
- Stage 2: PMC and XYZ will meet and jointly decide if the applicant meets the Tenant Selection Criteria. While all parties will respect and seek input from each other, in the case of disagreement over tenant selection, ABC will make the final determination.

Eligibility Matrix: outline the eligibility for all units and funding sources.

See income and rent guidelines for different funding sources on the MN Housing Website:

http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_005882.pdf

Designated units	Funding Source/Eligibility	Income Limits	Rent Restrictions
24 units	Tax Credit: general occupancy	50% AMI	50% AMI
8 units	LTH: meets LTH definition	30% AMI	30% AMI
4 units	HUD S+C eligibility: meets chronic homeless and disability definitions	N/A	FMR

VI. ROLES AND RESPONSIBILITIES

A. Joint Roles of owner, management agent and primary service provider: Roles of ABC, PMC and XYZ

It is understood that ABC, PMC and XYZ staff must work together as a team to effectively meet the needs of the tenants. This level of collaboration will require exceptional, thorough and timely communication between all parties. Therefore, ABC, PMC and XYZ agree to collectively communicate any cause of concern pertaining to any and all items that affect the overall success of the residents/and or development in a timely manner. In addition, to ensure smooth processes and communication, all three parties will meet (insert time period- i.e., weekly, monthly, quarterly) to review roles and practices and PMC and XYZ staff will meet (insert time period) to discuss specific concerns.

However, the parties to this Memorandum of Understanding also understand the importance of their separate and distinct responsibilities. XYZ agrees in the performance of services, PMC agrees as the manager of the housing and ABC agrees as the owner of housing, that tenant and client rights are respected and complied with not only as a matter of principle, but as a matter of practice.

It is understood that XYZ's role will be that of advocate for residents and PMC's role will be that of landlord dealing with tenant issues.

ABC, PMC and XYZ agree to advise one another of highly pertinent matters in the referral and selection process as well as tenancy issues and understand that each is bound by confidentiality standards regarding the exchange of applicant and resident information. Informed consent will be provided to residents and appropriate releases will be secured when confidential client information needs to be shared.

B. Role of Service Provider - XYZ Services, Inc. (XYZ):

XYZ agrees to assign a minimum of one (1) staff member to My Home Apartments to offer and provide supportive services (or coordinate services) for the 8 households in supportive housing units. In accordance with the Support Services Plan and the Property Management Plan, the case manager (or service coordinator), employed .75 FTE by XYZ, will be responsible for providing case management and/or coordinating the delivery of services with other service providers.

The case manager will be responsible for offering and providing direct services to the long-term homeless residents of My Home Apartments and/or coordinating the delivery of services from other providers. XYZ assumes all costs for the case manager (or service coordinator). XYZ will:

1. Assist in developing the tenant screening criteria;
2. Assist in identifying and referring low-income disabled persons in need of housing to the property manager, PMC;
3. Assist PMC in screening all potential tenants, specifically in determining the chronic and long-term homeless eligibility and assessing tenants' ability to abide by the terms of the lease.

4. It is understood that XYZ **does/does not** plan to offer full-service case management (ITF definition). Those in need of services not provided by XYZ will be linked with appropriate providers. XYZ will perform the following support services functions:
- (a) Actively work to engage residents in services and the community: provide and promote information and supportive activities that will help residents develop the skills and abilities needed to maintain housing and access the resources of the My Home Apartments community as well as the larger community, including family, friends, work and school.
 - (b) The case manager/service coordinator will be on site Monday – Friday for 6 hours (times will be adjusted to accommodate resident needs and planned activities). XYZ has an emergency contact person for after hours and weekend emergencies.
 - (c) Conduct an initial needs assessment and develop an individual self-sufficiency plan for each resident, including a periodic evaluation and update of the service plan as the needs of the client change.
 - (d) Offer and provide the following supportive services:

Select services from the service sets outlined in the Heading Home document: *Approaches to Housing and Services for Long-Term Homeless Households*.

http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_006896.pdf

Specify if the service will be provided directly or by arrangement with other service providers. Also describe where the services will be provided (on-site office or tenant home, off site location, etc.), when they are available and the expected frequency.

 - ☐ Basic Service Set:

Case management (as defined by the ITF); housing supports; independent living skills; education/employment; safety; harm reduction strategies; financial management ; self-determination/life satisfaction; Health; assistance in obtaining other resources and support such as child care, transportation, job training and job placement.
 - ☐ Service Set for Children (as applicable)
 - ☐ Mental Health Service Set (as applicable)
 - ☐ Traumatic Brain Injury Service Set (as applicable)
 - ☐ Chemical Health Service Set (as applicable)
 - ☐ Physical Disability Service Set (as applicable)
 - ☐ Co-occurring Disorders Service Set (as applicable)
 - (e) Assist residents in understanding their rights and responsibilities under a tenant lease. This includes reviewing the house rules and explaining the eviction and appeal process.
 - (f) Provide crisis intervention as needed or when requested by PMC or provide consultation to resolve conflicts between residents and property management.
5. Provide the following administrative services:
- (a) Assist in the development of House Rules with PMC.
 - (b) Keep all case files/records regarding supportive services provided to residents as required by HUD and other funding sources.
 - (c) Collection of required file documentation for implementation of the long-term homelessness program including: verification of long-term homelessness status for all eligible households. This will be provided to management agent for file retention.
 - (d) Administration of the Homeless Management Information System (HMIS) including data collection, data entry and submitting reports as required by Minnesota Housing. XYZ will be responsible for all HMIS costs.
 - (e) Provide annual reporting required submissions for the long-term homelessness programs and assisting the management agent with completion of the long-term homelessness reporting requirements as needed.

(f) Cooperate with ABC in monitoring and/or conducting audits or other reporting requirements to project funders.

6. Address training and professional development: XYZ provides regular in-service staff training on agency processes and service delivery best practices. Case managers are required to attend x hours of professional development courses. Staff members attend annual conferences covering social work, supportive housing and homeless services topics. *(be specific)*

C. Role of Owner: ABC Housing Corporation (ABC)

ABC is strictly the developer and owner of My Home Apartments and will be responsible for asset management and overseeing the property management duties contracted to the management company, People's Management Company and the supportive services provided by XYZ. ABC will directly:

1. Oversee the contract and duties of the management company.
2. Oversee the service contract/agreement with XYZ.
3. Ensure that all regulatory and funding requirements are met;
4. Oversee all budgets and cost estimates related to My Home Apartments, excluding budgets related to the provision of social services;
5. Arrange for liability and property insurance for My Home Apartments
6. Pay all taxes associated with My Home Apartments
7. Address training and professional development- describe:

D. Role of Management Agent: People's Management Company (PMC)

PMC will be responsible for the overall operations of My Home Apartments. In accordance with the Support Services and Property Management Plan, PMC is contracted by ABC Housing to provide the following property management activities:

1. Determine, verify and document eligibility of tenants (income, homelessness and disability);
2. Selects tenants following the Tenant Selection plan and criteria
3. Development and implement a Management Plan (including house rules and tenant selection plan) that results in successful management practices for all residents of the housing.
4. Actively market apartments to obtain a fully leased building in compliance with the Affirmative Fair Housing Marketing Plan and the Marketing Plan.
5. Will be on site the following days/hours/time period:
6. Carry out rent collection and administration;
7. Oversee tenant relations with positive management processes with respect to:
 - (a) Notices
 - (b) Evictions
 - (c) Enforcement of house rules, policies and procedures;
 - (d) Conflict Resolution – work with the service provider to have a response system for tenant crises and a plan to address lease compliance issues
8. Provide building and equipment maintenance and repair;
9. Address safety concerns as needed
10. Perform housing inspections for lease compliance and safety. The site staff will perform periodic unit inspections following move-in to monitor that there are no unsanitary conditions, pests, fire hazards or other conditions.
11. Provide janitorial services (common areas only);
12. Pay project bills;
13. Provide monthly financial reports and any other required information to ABC for regulatory and funding agencies;
14. Provide for the collection of required file documentation for the long-term homelessness program in coordination with XYZ.
15. Provide for the annual reporting requirements and submissions as needed from funders (name specific funders).
16. PMC has an accounting system in place for providing budgets and year-end operating reports on MHFA formats.

17. Provide capital improvements including acquisition and maintenance of furnishings for common areas such as the lounge or dining room.
18. Address training and professional development- describe all that may be pertinent to the population(s) served (e.g., if serving persons with mental illness, consider the training needs for site staff that may be needed.)

ABC and PMC will enter into a property management agreement which further details these activities.

IF APPLICABLE, add the following to the appropriate roles section:

- E. Front desk and security: Describe the responsibilities of front desk and security staff and the party that will provide oversight (usually management agent)
- F. Rental Assistance Administration: Describe administrative roles for Minnesota Housing funded project or sponsor-based rental assistance including HQS inspections and administrative fee distribution (could be done by the management agent, service provider, housing authority, other partner or as a contracted service).
- G. Operating Subsidy Administration: Describe how funds will be used and the administrative roles for a Minnesota Housing funded operating subsidy regarding budgets and disbursements (usually management agent)
- H. Other funding sources: Discuss administration, coordination, and compliance for developments that may also have funding sources such as housing tax credits, HOME funds, Group Residential Housing (GRH), McKinney-Vento Shelter + Care or Supportive Housing Program (SHP), including referral sources, HUD match requirements and reporting, etc. (roles of service provider and management agent)
- I. Other parties to this MOU: may want to include Shelter + Care administrator, service provider partners, etc.

VII. FUNDING

Service Funding: XYZ currently has the funds to provide the supportive services identified in this Memorandum of Understanding and anticipates continuation of this funding. XYZ is committed to providing appropriate and exceptional services to the tenants of My Home Apartments and is committed to providing these services over the long-term, pending available resources. Where necessary, ABC and XYZ will co-apply for service funds.

The case manager and supportive services identified in this Memorandum of Understanding will be funded under existing contracts as outlined in the service budget and will continue so long as the same contract level is renewed.

Unique Operating Costs: If applicable, describe how front desk and service coordinator will be funded (could include MHFA or DHS operating subsidy, the development's operating budget, specific grants, etc.)

Rental Assistance Funding: if applicable, describe how rent assistance will be funded (a contract with the PHA, MHFA Rental Assistance, HUD operating funds, etc.)

Shared Costs or Administrative fees: may include description of how HMIS costs will be paid, how administrative fees will be distributed, etc.

VIII. GENERAL TERMS

Terms. This Memorandum of Understanding will begin effective the date of January 1, 20XX . Lease up is anticipated to begin in July, 20XX. XYZ's and PMC's responsibilities begin on January 1, 20XX to coordinate the start-up of My Home Apartments. This Memorandum of Understanding will be periodically (define time period – annually, etc.) reviewed and updated to incorporate changes and clarification of roles and responsibilities.

Termination. Any party may terminate this Memorandum of Understanding for any reason or no reason by giving the other parties ninety (90) days prior written notice. The party wishing to terminate this must provide notice and a written intent to terminate to the other parties.

Confidentiality. ABC, PMC and XYZ agree that by virtue of entering into this Memorandum of Understanding they will have access to certain confidential information regarding the other party's operations related to this project. ABC, PMC and XYZ agree that they will not at any time disclose confidential information and/or material without the consent of that party unless such disclosure is authorized by this Memorandum of Understanding or required by law. Unauthorized disclosure of confidential information shall be considered a material breach of this Memorandum of Understanding. Where appropriate, client releases will be secured before confidential client information is exchanged. Confidential client information will be handled with the utmost discretion and judgment.

Nondiscrimination. There shall be no discrimination of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, age, handicap, ancestry or national origin in the operation of the project of program at A Typical Supportive Housing Apartments by ABC, PMC or XYZ.

Severability. In the event any provision of this Memorandum of Understanding shall be found to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity, legality and enforceability of the remainder of the Memorandum of Understanding.

Amendments. This Memorandum of Understanding may be amended only in writing and authorized by the designated representative of ABC, PMC and XYZ.

Signed:

Print name and title, ABC Housing Corporation

Signature: _____

Date: _____

Print name and title, XYZ Services, Incorporated

Signature: _____

Date: _____

Print name and title, People's Management Company

Signature: _____

Date: _____